



MICHIGAN MUNICIPAL BOND AUTHORITY

The Michigan Municipal Bond Authority is a non-profit agency established to provide municipalities cost-effective choices for borrowing funds. The Authority offers local units of government a cost effective way to borrow money by creating a financing pool to address your borrowing needs with the needs of other local units of government. The Authority sells its obligations to purchase the pooled bonds/notes issued by the local units of government.

The Authority brings its experienced group of financial experts to assist you with your financing needs.

STATE REVOLVING FUND AND DRINKING WATER REVOLVING FUND

The State Revolving Fund (SRF) and the Drinking Water Revolving Fund (DWRP) programs, provide low-cost financing for water pollution control and drinking water projects, respectively. These programs are jointly administered by the Authority and the Michigan Department of Environmental Quality (DEQ) which determines qualified projects and annual funding priority.

Public borrowers, school districts and private water suppliers are eligible to participate in the DWRP program.

STATE AID NOTE

The State Aid Note is a streamlined loan program to finance short-term operational cash flow needs for Michigan public schools.

The Authority facilitates the process by pooling the loans, soliciting bids and obtaining the highest possible short term rating (SP-1+), resulting in competitive interest rates and lower costs for the schools.

BENEFITS OF THE AUTHORITY

Competitive Interest Rates

The Authority consistently offers interest rates that compare favorably with Michigan and national pricing indices. The Authority's reputation and name recognition in the capital markets creates demand for the Authority's securities, translating to lower interest rates for borrowers.

Reduced Costs of Issuance

Costs are shared by borrowers on a pro-rata basis typically resulting in lower costs than each borrower would pay individually.

Simplified Borrowing Process

Borrowers complete an application, adopt a borrowing resolution and sign the required documents for closing. The Authority and your local bond counsel assist with closing your loan.

Access to Capital Markets

Take Advantage of the Authority's expertise to access the capital markets.



LOCAL GOVERNMENT LOAN

The Local Government Loan Program provides competitive interest rates for **3 to 30 year loans** to public entities. Typically, tax-exempt bonds or installment purchase contracts are issued under this program. The Authority has also worked with borrowers on taxable and private activity bonds.

Primary security for a loan is provided by a borrower's pledge of state revenue sharing, state transportation funds, state school aid, or the purchase of bond insurance. Borrowers do not need a separate bond rating as the Authority obtains a rating for each pooled financing, unless a community is selecting the option of a local Project Bond. Loans have included purchases of equipment, school buses, fire trucks, real property, energy conservation improvement, infrastructure needs, and refunding existing debt.

The Local Government Loan Program provides a variety of financing options for local borrowers. What you can legally issue on your own, you can issue to the Authority under this program.

ELIGIBLE BORROWERS

- Public School Districts
- Community Colleges
- Public Colleges & Universities
- Commissions and Authorities
- Special Purpose units, such as:
Parks and Recreation, Fire Protection, Libraries,
Transit, Waste Management, and Drainage Districts
- Cities
- Villages
- Townships
- Counties

www.michigan.gov/mmba

P.O. Box 15128, Lansing, MI 48901

Phone: (517) 335-0994

Fax: 517) 241-9509